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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/363,499	07/29/1999	DAVID B. SUTTON	9204-000001	8198

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EXAMINER
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PATEL, JAGDISH

ART UNIT	PAPER NUMBER
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3624

DATE MAILED: 06/29/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

# Office Action Summary

Application No.

09/363,499

Applicant(s)

SUTTON ET AL.

Examiner

JAGDISH N PATEL

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ML

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

## Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

## Status

- 1) ☒ Responsive to communication(s) filed on 27 January 2004.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

## Disposition of Claims

- 4) ☒ Claim(s) 18-22 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 18-22 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

## Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

## Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
  - ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

## Attachment(s)

- |   |   |
|---|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892)             | 4) <input type="checkbox"/> Interview Summary (PTO-413)                     |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)    | Paper No(s)/Mail Date. _____  |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08) | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152) |
| Paper No(s)/Mail Date. _____  | 6) <input type="checkbox"/> Other: _____                                    |

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DETAILED ACTION

This office action is in response to the applicant's response filed 1/27/2004 including a (revised) declaration under 37 CFR 1.131.

Note that the finality of the office action mailed 10/21/03 (paper No. 23) has been withdrawn. Accordingly a new non-final action is being issued herewith.

*Claim Rejections - 35 USC § 101*

**1. 35 U.S.C. 101 reads as follows:**

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

**2. Claims 18-22 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.**

Claimed invention are not within technological arts.

As an initial matter, the United States Constitution under Art. I, §8, cl. 8 gave Congress the power to "[p]romote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries". In carrying out this power, Congress authorized under 35 U.S.C. §101 a grant of a patent to "[w]hoever invents or discovers any new and useful process, machine, manufacture, or composition or matter, or any new and useful improvement thereof." Therefore, a fundamental premise is that a patent is a statutorily created vehicle for Congress to confer an exclusive right to the inventors

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for "inventions" that promote the progress of "science and the useful arts". The phrase "technological arts" has been created and used by the courts to offer another view of the term "useful arts". See *In re Musgrave*, 167 USPQ (BNA) 280 (CCPA 1970). Hence, the first test of whether an invention is eligible for a patent is to determine if the invention is within the "technological arts".

Further, despite the express language of §101, several judicially created exceptions have been established to exclude certain subject matter as being patentable subject matter covered by §101. These exceptions include "laws of nature", "natural phenomena", and "abstract ideas". See *Diamond v. Diehr*, 450, U.S. 175, 185, 209 USPQ (BNA) 1, 7 (1981). However, courts have found that even if an invention incorporates abstract ideas, such as mathematical algorithms, the invention may nevertheless be statutory subject matter if the invention as a whole produces a "useful, concrete and tangible result." See *State Street Bank & Trust Co. v. Signature Financial Group, Inc.* 149 F.3d 1368, 1973, 47 USPQ2d (BNA) 1596 (Fed. Cir. 1998).

This "two prong" test was evident when the Court of Customs and Patent Appeals (CCPA) decided an appeal from the Board of Patent Appeals and Interferences (BPAI). See *In re Toma*, 197 USPQ (BNA) 852 (CCPA 1978). In *Toma*, the court held that the recited mathematical algorithm did not render the claim as a whole non-statutory using the Freeman-Walter-Abele test as applied to *Gottschalk v. Benson*, 409 U.S. 63, 175 USPQ (BNA) 673 (1972). Additionally, the court decided separately on the issue of the "technological arts". The court developed a "technological arts" analysis:

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The "technological" or "useful" arts inquiry must focus on whether the claimed subject matter...is statutory, not on whether the product of the claimed subject matter...is statutory, not on whether the prior art which the claimed subject matter purports to replace...is statutory, and not on whether the claimed subject matter is presently perceived to be an improvement over the prior art, e.g., whether it "enhances" the operation of a machine. In re Toma at 857.

In Toma, the claimed invention was a computer program for translating a source human language (e.g., Russian) into a target human language (e.g., English). The court found that the claimed computer implemented process was within the "technological art" because the claimed invention was an operation being performed by a computer within a computer.

The decision in State Street Bank & Trust Co. v. Signature Financial Group, Inc. never addressed this prong of the test. In State Street Bank & Trust Co., the court found that the "mathematical exception" using the Freeman-Walter-Abele test has little, if any, application to determining the presence of statutory subject matter but rather, statutory subject matter should be based on whether the operation produces a "useful, concrete and tangible result". See State Street Bank & Trust Co. at 1374. Furthermore, the court found that there was no "business method exception" since the court decisions that purported to create such exceptions were based on novelty or lack of enablement issues and not on statutory grounds. Therefore, the court held that "[w]hether the patent's claims are too broad to be patentable is not to be judged under §101, but rather under §§102, 103 and 112." See State Street Bank & Trust Co. at 1377. Both of these analysis goes towards whether

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the claimed invention is non-statutory because of the presence of an abstract idea. Indeed, State Street abolished the Freeman-Walter-Abele test used in *Toma*. However, State Street never addressed the second part of the analysis, i.e., the "technological arts" test established in *Toma* because the invention in State Street (i.e., a computerized system for determining the year-end income, expense, and capital gain or loss for the portfolio) was already determined to be within the technological arts under the *Toma* test. This dichotomy has been recently acknowledged by the Board of Patent Appeals and Interferences (BPAI) in affirming a §101 rejection finding the claimed invention to be non-statutory. See *Ex parte Bowman*, 61 USPQ2d (BNA) 1669 (BdPatApp&Int 2001).

In the present application, Claims 18-22 have no connection to the technological arts. None of the steps indicate any connection to a computer or technology. The step of supplying a purchase card, purchasing the purchase card, providing purchase transaction information including the account number associated with the card and transacting a purchase with a retailer could be performed manually by a purchase card distributor (analogous to phone card distributor) supplying the cards to retail outlets, a customer purchasing the card from the retail outlet, subsequently the customer presenting the card or giving the card to a retail store owner to receive goods or services. Therefore, the claims fail to recite technological art as a part of performing the method steps and are directed towards non-statutory subject matter. To overcome this rejection the Examiner recommends that Applicant amend the claims to better clarify which of the steps are being performed within the technological arts, such as with

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the use of computer network and/or computer or server. This would render the claim within technological art as per requirements under 35 USC 101.

### 3. Reconsideration of the Declaration

The examiner has carefully reviewed the newly submitted affidavit mailed 1/27/04 and determined that the evidence submitted is insufficient to establish a conception of the invention prior to the effective date of the Wisdom reference which is 4/27/99. (see analysis provided below.) While conception is the mental part of the inventive act, it must be capable of proof, such as by demonstrative evidence or by a complete disclosure to another. Conception is more than a vague idea of how to solve a problem. The requisite means themselves and their interaction must also be comprehended. See *Mergenthaler v. Scudder*, 1897 C.D. 724, 81 O.G. 1417 (D.C. Cir. 1897). The examiner has applied the following standard to determine the adequacy of the demonstrative evidence provided by the applicants.

"[C]onception is established when the invention is made sufficiently clear to enable one skilled in the art to reduce it to practice without the exercise of extensive experimentation or the exercise of inventive

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skill." *Hiatt v. Ziegler*, 179 USPQ 757, 763 (Bd. Pat. Inter. 1973). and

(It is settled that in establishing conception a party must show possession of every feature recited in the count, and that every limitation of the count must have been known to the inventor at the time of the alleged conception. Conception must be proved by corroborating evidence.); *Hybritech Inc. v. Monoclonal Antibodies Inc.*, 802 F. 2d 1367, 1376, 231 USPQ 81, 87 (Fed. Cir. 1986) (Conception is the "formation in the mind of the inventor, of a definite and permanent idea of the complete and operative invention, as it is hereafter to be applied in practice."); *Hitzeman v. Rutter*, 243 F.3d 1345, 58 USPQ2d 1161 (Fed. Cir. 2001).

4. Note that the only documentary evidence supporting the declarations shows a details of purchase card (called PrivaCard) showing amount (value) of the card, card identification number, expiration date, logo of an entity (PRIVACASH.COM) on the front and instructions for activating the card at the entity's web site (PRIVACASH.COM). The instructions indicating that the cash card may be used as cash for amounts up to the amount indicated.



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The evidence does not fully support the complete and operative invention as contemplated as claimed because:

it fails to establish relationship of a purchasing intermediary to the retail establishment as claimed. Since, it appears that PRIVACASH.COM is acting as a retail establishment where the purchase card is activated, the presented evidence fails to provide teaching of the limitation that the purchase card is supplied to PRIVACASH.COM from a purchasing entity. The evince, on the other hand teaches purchasing the purchase card from PRIVACASH.COM and activates it so as to be used as cash at retailers for purchase transactions.

Based on this analysis the declaration filed, evidence submitted is insufficient to establish a conception of the invention prior to the effective date of the Wisdom reference which is 4/27/99.

5. Please note that the text of those sections of Title 35, U.S. Code not included in this action can be found in a prior Office action.

***Claim Rejections - 35 USC § 103***

6. Accordingly, previously presented rejection of claims 18-22 under 35 U.S.C. 103(a) as being unpatentable over Wisdom is maintained. Please refer to office action dated 2/10/03 (paper No. 20) for details.

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7. The claims are also rejected under U.S.C. 103(a) as being unpatentable over Fite et al. (US Pat. 6,467,684) (Fite).

7/5/09

Fite discloses a method of transacting an anonymous purchase using a prepaid purchasing (see abstract). The Fite pre-paid card is not be encoded so as to identify the individual that purchases the card, thereby allowing such an individual to remain anonymous (see abstract and background of the invention) . The purchase card is purchased at the card vendor terminal 14 for a pre-designated amount and is only identified by an unique identity number printed on the card, i.e. no identity of the purchaser is indicated on the card see Fig. 2 and col. 3 L 3+. Fite does not specifically disclose that the universal pre-paid card is initially purchased by a purchasing intermediary and then supplied to the retail establishment for resale to the end user of the card. However, the insertion of a purchasing intermediary or a "middle man" in a supply chain is notoriously well known in the art to those possessing even the most basic knowledge thereof, such purchasing intermediaries serve to enhance the distribution of the card. Thus it would have been obvious to one of ordinary skill in the art at the time that the invention was made that a purchasing intermediary could be readily inserted in the distribution pathway of the payment card, so as to aid the

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distribution thereof and to enhance it's widespread availability.

Regarding claim 20 and 21, Fite discloses that the cards possess one or more authenticating and security codes recorded in each card, such codes being read by well known conventional card reading apparatus at each point of sale where the cards are accepted (see col. 3 L 38-52, personal identification code).

7. Claim 22 is rejected under 35 U.S.C. 103(a) as being unpatentable over Fite as applied to claim 18 above, and further in view of Walker et al. (5, 794,207).

Fite does not disclose "sending a purchased good by the retailer to an intermediary shipping address associated with the purchasing intermediary, and forwarding the purchased good to the purchaser by the purchasing intermediary, thereby maintaining the anonymity of the purchaser".

Walker et al. disclose a purchasing system which involves the use of trusted third party intermediaries having intermediary shipping addresses which provide a relay system for the delivery of goods and services to the purchaser and which thereby allows the purchaser to remain anonymous from the retailer (col. 7, lines 52 - 58).

It would have been obvious, in view of Walker et al., to one of ordinary skill in the art at the time that the invention was made, to provide the pre-paid card purchasing system of Fite

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with an intermediary shipping address to which the purchased goods could be shipped, so as to enable the purchaser using the pre-paid purchasing card to remain anonymous from the retailer.

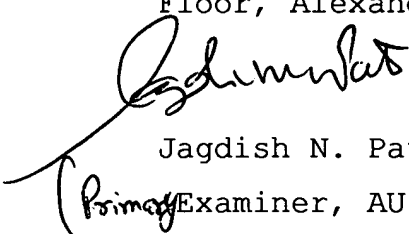
### ***Conclusion***

The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Jagdish Patel whose telephone number is (703) 308-7837. The examiner can normally be reached Monday-Thursday from 8:00 AM to 6:00 PM.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Vincent Millin, can be reached at (703) 308-1038. The fax number for Formal or Official faxes to Technology Center 3600 is (703) 305-7687. **Draft faxes may be submitted directly to the examiner at (703) 746-5563.**

Any inquiry of a general nature or relating to the status of this application should be directed to the Group receptionist whose telephone number is (703) 308-1113 or 308-1114. Address for hand delivery is 2451 Crystal Drive, Crystal Park 5, 7<sup>th</sup> Floor, Alexandria VA 22202.

  
Jagdish N. Patel

(Primary Examiner, AU 3624)

4/15/04